

## LNF & IHCIF Calculations Illustration

### - KARUK TRB HP in California area -

#### Given Data

- 1,743 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 55% = % Expenditures on purchased services, 45% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 127.8% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$1,797 per person for purchased services =  $55\% * 109.6\% * \$2,980$
- \$1,714 per person for in-house services =  $45\% * 127.8\% * \$2,980$
- \$3,511 per person total = \$1,797 (purchase) + \$1,714 (in-house)
- **\$3,368 per person total** adjusted for health status =  $\$3,511 * 95.9\%$
- **\$2,623 per person net cost** =  $\$3,368 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 1,743 users excluding wrap-around and collections)

- \$1,069 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,345 per person for OU users** =  $\$1,069 + \$222 + \$54$

#### LNF Calculation

- **39.9% Gross LNF** =  $\$1,345$  (expenditures) /  $\$3,368$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **51.3% Net LNF** =  $\$1,345 / \$2,623$  net cost ( $\$3,368 - \$745$  other)

#### IHCIF Allocation

- \$399,001 = \$ to raise LNF% from 51.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$13,917 Allocation** =  $\$399,001$  needed for 60% \* 3.488% IHCIF fraction

#### KARUK TRB HP Unmet Needs

- **\$4,571,257 Net Total Need** = 1,743 users \* \$2,623 net cost
- **\$2,227,503 Net Unmet Need** =  $(100\% - 51.3\% \text{ LNF}) * 1,743 \text{ users} * \$2,623 \text{ net cost}$